TOURISM
THE PROFESSIONAL CHALLENGE

A Framework for Action

APPENDIX 2

TOURISM TRENDS AND THEIR IMPACT ON TRAINING AND EDUCATION

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A 1990'S BLUEPRINT FOR ACTION
TOURISM HUMAN RESOURCE DEVELOPMENT PROJECT

TOURISM TRENDS AND THEIR IMPACT ON EDUCATION AND TRAINING ISSUES

Interim Report

Prepared by: **Ann Pollock**

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1.0 Introduction

The following paper has been prepared for two reasons: a. to satisfy the Terms of Reference for the Blueprint project which called for an analysis of the major trends affecting tourism-related education and training; and b. to stimulate and facilitate discussions in the industry focus groups.

The trends outlined below and our discussion of their implications have been derived from a number of sources: a general but not exhaustive review of the business and academic literature including trade publications, speeches, consultants' reports and academic journals; our own observations; and informal discussions with a variety of people both directly involved in tourism or responsible for serving the needs of this economic sector. A bibliography of some important sources is appended to the Paper.

2.0 Forces External to the Tourism Sector

These are broad social and economic trends that are affecting all businesses both within and external to the tourism sector.

2.1. Changing Structure of the Provincial Economy

The structure of the economy in British Columbia is altering rapidly and fundamentally from one based on the extraction of raw materials to the development and delivery of services. In 1989, only 26% of total employment was in the goods sector compared to 30% ten years previously. During the same period, service sector employment rose from 70% to 74% of total employment. In the last decade, employment growth has been due almost entirely to the service sector.While the production of resource extractive industries continues to rise, this increase in output has been achieved through the application of improved technologies. The demand for unskilled labour has consequently declined.

Unfortunately the persons who occupied jobs in the resource extractive industries do not always possess the right mix of knowledge, skills and attitude to enable them to move easily into the service sector.

The tourism sector is competing with other expanding services in finance, retail, real estate, technology-related products and services, health care, education and government for the

same shrinking skilled labour market. Many of these other sectors have better profit margins and can afford to be more generous in their wages and benefit packages.

The shift from a goods to service producing economy has not occurred evenly across all regions of the Province. Most new jobs are being created in Greater Vancouver and Victoria and this concentration of wealth and opportunity in the south western corner of British Columbia is fostering the development of two economies.

Possible Implications: Even if the demographic structure were to improve, competition for labour in B.C. will accelerate and, because of uneven economic growth, there will be a labour and brain drain to the south western regions that may worsen the labour situation in north and eastern regions. Unless tourism is perceived by the workforce as offering equally attractive mix of compensation, benefits and growth potential as other service sectors, then it won't obtain the labour it needs.

2.2 Government Funding Policies

Both federal and provincial governments are questioning the nature of their involvement in the delivery of industry-specific educational and training services, and are looking to shift responsibility for education and training more onto the shoulders of private sector.

Possible Implications: Proportionately less money will be available for education in the future and there will be increased demands for accountability regarding the programs that are funded. Educational institutions and the providers of tourism programs must become more aggressive at marketing. Closer ties between the tourism industry and educational institutions must be developed since both are competing with other sectors for students and employees. Failure to recognize the importance of co-op/partnered marketing efforts will result in further enrollment declines and the cancellation of some programs as limited college resources get shifted to other areas.

2.3 Educational Trends

Major changes are taking place within the public education delivery system at all levels: elementary, high school, college and university:

- increasing participation rates in post secondary education are placing a major strain on the delivery system;
- university and college funding is under review;
- universities and colleges are still suffering the effects of significant cutbacks that took place in the early 1980's;
- existing faculty are aging and many are due to retire over the next few years;
- the post secondary education system is itself experiencing an acute shortage of highly skilled, qualified personnel;
- high school drop-out rates now exceed 30% - the highest levels ever experienced;
- in order to offset the drop-out rate, secondary schools are getting more involved in career preparation as part of the *Year 2000* ;
- the labour market is becoming increasingly polarized into two groups - those with high levels of education committed to upgrading their skills and those who dropped out of school early and who often lack the basic skills of numeracy and literacy. As businesses increase in sophistication and automation is used to undertake menial tasks, the competition for the educated group will intensify;
- in response to rapid social change and technological developments, most people now expect to have several careers during their working life. The concept of "lifelong" learning as a means for personal survival and growth is becoming well established within the community.
- the mix of students at all levels in the education system is increasingly multi-cultural, particularly in the southwestern region of B.C.;
- increasing demands for "co-operative" education (i.e., combining classroom with work experience) are placing increasing demands on businesses and will also require high levels of union-management cooperation;
- there is an increasing demand for flexibility in program delivery schedules and teaching methods to accommodate part-time/working students and employees seeking upgrading ;
- increasing demand for Open Learning/distance delivery systems is resulting in more work place training support being available; and

- there is an on-going debate regarding the education systems role in applied skills training versus general education.

We also observe that there appears to be a misfit between what tourism businesses need and can absorb and what the educational system is producing. On the one hand, business has lost confidence in the ability of the public education system at the secondary and post secondary level to cover the basics (e.g., numeracy, literacy, and lifeskills); yet on the other hand, graduates of many two-year diploma and generic tourism programs have difficulty finding meaningful employment.

> *"Training will have to compensate for weaknesses of the educational system" says David Borden, President of Victoria International Corporation, which specializes in hospitality training. He thinks lodging companies will need to help new workers develop basic skills in math, reading and language -- especially for immigrants. Borden also sees a need for more comprehensive training to broaden line employees' skills and responsibilities. At least one hotel puts new workers through a week-long orientation and job skill training program -- considered excessive by today's standards -- to get them off to a good start. ... In the past, if hotels wanted higher quality, they hired more people. In the future, managers will need to analyse jobs more carefully and work with employees to remove the barriers that prevent them from working effectively."*
> From: Lodging Hospitality, August 1989, v45 n8 p94

In order to cope with a constantly changing environment, the very nature of training is being redefined:

> *"Training will be in the basic skills people need to do their jobs. It will also be training that travels, no matter what the specific role -- training to understand how a team comes to together and functions; training to get the best out of a group and not just individual workers; training and networking in its fullest sense -- in how things connect within the organization"*
> From: Management in the '90s: Functional Trends, Business Quarterly, Spring 1990 v54 n4 p95

The potential for increased involvement in training is great:

> *Formal training is offered in about 25% of firms across the country, mostly the larger employers. Overall, the private sector in Canada spends about $1.4 billion on formal training -- less than half that of the United States on a per employee basis.*
> From: Success in the Works, A Policy Paper, Employment and Immigration Canada. 1989

2.4 Labour Force Shortage or Labour Mis-Match?

An aging population, an increasingly multi-cultural workforce; and a shrinking supply of youthful workers willing to work for low wages on a temporary basis are also causing employers in this sector to re-examine their personnel management policies.

According to Statistics Canada, half of the employees in the hospitality industry fall within the younger age group (15 - 24), while in the economy as a whole, this age group represents just 20% of the work force. Canada's shrinking birth rate has had a significant impact on this supply of youthful labour. Between 1980 and 1988, the number of 15-24 year olds dropped by 650,000 and a further drop of 175,000 is expected between now and the year 2000.

At the same time that the traditional sources of labour are diminishing, the demand for new workers has grown at a phenomenal rate. Between 1971 and 1986, the tourism workforce grew at a rate of 90%. Over the same period, the Canadian labour force as a whole grew by only 48%.

According to a survey conducted by the Canadian Tourism Research Institute at the Conference Board of Canada for 1989, the top four human resource issues identified by a sample of 2300 outlets across Canada were:

* rates of pay (83%)
* hiring/retention issues (70%)

* training career issues (65%) and
* bonus/incentive plans (49%).

While Canada is undoubtedly facing a serious shortage of skilled workers, the tourism sector has less of a need for personnel with high levels of technical training (eg engineers, doctors, accountants etc) than some other sectors. Competition for skilled employees will continue to stiffen over the next decade and tourism businesses will have to match the wages and conditions offered by other sectors if they wish to attract technically skilled/ highly educated people into their workforce. This is particularly true for skilled occupations such as chefs and cooks.

While there may be a sufficient supply of low skilled, less well educated workers for many front-line positions, they may not suit tourism jobs if they lack the right service attitude or have poor numeracy, literacy, conversational and problem solving skills. This implies that tourism businesses will have to develop more in-house, "front-end" training and orientation programs to prepare such workers for tourism occupations.

It should be noted that what is perceived as a labour shortage problem may really be more of a turnover problem as employees change positions within the industry in an attempt to match themselves to suitable employees.

Some progressive tourism businesses are tackling the labour shortage/turnover problem in a number of ways:

- selective **recruitment** -- more attention is being paid to matching people to jobs;
- effective **training** -- because businesses are drawing more on immigrants, older people, persons with disabilities etc. training becomes more necessary. Furthermore, training of both existing and new employees is needed to increase productivity and improve service;
- attractive **rewards** -- innovative compensation packages, recognition for excellence and achievements and the provision of training opportunities;
- placing greater attention on **retention** -- tourism-related businesses are experiencing firsthand the very real and high costs of labour turnover.

According to research conducted by CP Hotels, an hourly paid employee costs more than $1500 to replace and management personnel over $2500. Another study has indicated that the cost of replacing a senior manager could total as much as $50,000.

- introducing **automation** -- some sectors of tourism can apply automation more easily than others. In the lodging sector, automation has reduced labour requirements for such functions as reservations, check-in, check-out, information dissemination, wake-up calls, message forwarding etc.Since there is a limit, however, to the extent to which travellers will wish to interact with machines rather than people, automation will not be a panacea.

Possible Implications: In some sectors of the tourism industry, oth educational institutions and the businesses they serve are facing the same problem: attracting and retaining enrollment/employment. As a result, tourism businesses find themselves drawing upon such sources of labour as seniors, new immigrants and persons with disabilities. This source of labour will require different approaches to recruitment, training, education and retention of employees.

Both colleges and employers are having to invest in additional facilities to make it both possible and attractive for these new student groups to attend school or come to work: e,g., day care facilities for single parents, and language training for immigrants.

Many people now entering the tourism industry are embarking on a second or third career. These fee paying consumers of educational/training "products" are often more demanding and quality conscious than their counterpart "school leavers" or students. Educational institutions must respond positively to the needs and preferences expressed by that student body. Furthermore, if industry does not provide these mature "graduates" with opportunities for rapid movement upwards based on performance and achievements, rather than "time spent and dues paid" then the industry will lose their talent to other sectors. Instructional styles will also have to change to better suit a more mature, experienced and critical student population.

Once employers realize that their employees are a valuable and scarce asset, they become more likely to "invest" in them through training. The provision of formal training and professional upgrading opportunities and the demonstration of career paths through an organization are two ways whereby a progressive employer can attract employees. This trend will result in a demand for training on-the-job and for trainers to perform this function. It will also reinforce the need for innovative and flexible training delivery methods.

Through partnerships with the private sector, the public education system has the opportunity to exploit this trend in the marketplace. They may also face stiff competition from the private sector because once training rises in perceived value it becomes increasingly profitable for corporations to get into the business of meeting that demand. Tourism businesses may chose to do more training "in-house" as a means of maintaining quality control.

2.5 Workers' Expectations

Within the past fifty years, the expectations and aspirations of the workforce as a whole have increased and changed. Research has shown that while ample remuneration and good working conditions remain important, more workers place equal if not more importance on recognition, opportunities for growth and advancement, and opportunities to assume responsibility and exercise initiative. The provision of professional training opportunities can be an attractive part of the benefit package offered employees:

> *Canadian workers are well aware of the importance of training in today's economy. In a 1988 Decima survey, about half the respondents said that they would reduce wage demands in return for additional training. This desire to learn at work - to upgrade skills and acquire new expertise and knowledge - is not being adequately addressed by the private sector.*
> From: Success in the Works, A Policy Paper, Employment and Immigration Canada, 1989.

It should be noted that these observations apply to the workforce as a whole and not just the tourism sector. It is likely that learning opportunities increase in importance once a certain remuneration threshold has been passed. In otherwords, the provision of learning

opportunities cannot replace competitive compensation rates but can be used to enhance the attractiveness of an employer or employer group.

According to research conducted by CP Hotels, the number one need mentioned by employees was obtaining the respect of their supervisors.

> *Most employees want to be challenged and supported by the companies they work for. They want to build on their existing skills and expand their capabilities. They want a piece of the action.. but they won't do it for free. Employees want to know what's in it for them..as a total package. They are willing to go the extra mile..if you motivate and reward them for doing so.*
> From: Becoming the Employer of Choice: Hotels in the 1990's, by Carolyn Clark, Vice-President Human Resources, CP Hotels.

This finding was corroborated in the major Human Resource Study of the Canadian Foodservice Industry sponsored by Employment and Immigration Canada. Furthermore, it was found that while employers tended to think their employees left for more money, employees actually placed more importance on good supervision and working conditions.

> *Employees often mentioned that because of the concentrated personal contact and stressful working conditions of the food services environment, getting along with the supervisor or manager was an important factor in staying with a job... This stress on the importance of compatibility factors and interpersonal relations was repeatedly mentioned in the case studies -- not job skills!*
> The Foodservice Industry: An Employer's View of Key Employment Problems, Economic Review, 1990.

Not only do employees want better supervision and relations with their employers but they have higher expectations regarding future advancement.

> *We have a generation with very high expectations. People used to accept that you only got some place in an organization if you worked hard. Now everyone thinks they will become senior vice-president. More attention will have to be given to having people articulate what they are looking for in their lives, be it the personal,*

family or career dimension. Their wants and needs should be integrated with the business' needs.
From: Management in the '90s: Functional Trends, Business Quarterly, Spring 1990 v54 n4 p95

Possible Implications: In order to attract people into the tourism sector, businesses will have to demonstrate that their industry provides an opportunity for personal and professional growth and advancement. Managers will have to learn ways of effectively delegating and empowering personnel at all levels within the organization. The provision of training opportunities within an organization will likely be perceived as an attractive benefit.

2.6 Flattening Organizational Structures While Increasing Productivity

While the demand for services is going up, the need to maintain profits will not lessen. In light of the high labour rates expected in our affluent society, management is forced to achieve enormous increases in both productivity and service from a stable or diminishing number of employees. In this context, labour is increasingly viewed as an asset rather than a cost.

In an information society, human capital replaces dollar capital as the strategic resource. In a constantly changing information environment, the corporation becomes an educator whose chief task is not to teach ever more impossible amounts of information, but to train employees to learn, think and create.
From: *Serving the New Corporation* prepared by the American Society for Training and Development in 1989

Managers and owner/operators are increasingly required to master human relations skills in the areas of effective recruitment, training, motivation and performance evaluation in order to minimize turnover and maximize productivity. But in addition to being required to be more effective as managers, they are now called upon to become leaders:

The executives of the future will be leaders not just managers. The differentiating factor is the vision. Leaders do not just manage activities, they set the vision, direction and pace. Leaders take advantage of anything from free trade to

globalization to technology, and this requires vision. Leaders make the big difference in the success of any company.
From: Management in the '90s: Functional Trends, Business Quarterly, Spring 1990 v54 n4 p95

High costs of labour are resulting in the flattening of organizations. Companies are recognizing the need to "empower" their staff at all levels to make decisions, to take responsibility and are giving them the authority that goes along with these increased responsibilities.

"The concept of a team atmosphere, where employees take responsibility for upholding standards and ensuring a pleasant stay, makes yet another argument for broad-based training. Managers are expensive, and the hospitality business is manager-intensive. An upscale hotel might employ one manager for every six line-level employees; a well-run manufacturing plant needs only one for every 100 because they're organized and delegate responsibility to employees. As lodging chains recognize the cost of such intense management, they'll readjust their sights to creating more self-reliant hourly employees.... Why couldn't a bell person manage a room change for a guest who's dissatisfied? Why couldn't a bus person who's well trained give a meal away to a customer who's very unhappy?

In addition to sharing authority, employees at some more progressive properties share jobs (or are at least able to if a crunch demands it). Sleep Inns' night auditors help run loads of laundry. Embassy Suites' employees earn an hourly premium if they learn how to do the job of another department. They may never need to use that knowledge, but the training gives hotels options in a crunch."
From: Lodging Hospitality, August 1989, v45 n8 p94

Possible Implications: Front-line employees need more skills in teamwork, group problem solving and organizing tasks. At the same time, managers will need more training in managing groups, setting goals and standards and both coaching and facilitating their personnel.

Employers in both the lodging and food and beverage industry consistently identify that their main training need is at the Supervisory and Management level.

2.7 Immigration Trends and a Multicultural work force

Due to changing immigration policies, the Canadian workforce as a whole and the workforce of the tourism/hospitality sector in particular, is comprised of an increasing number of diverse ethnic groups. Statistics provided by Statistics Canada and quoted in a paper titled: *Multicultural Issues in the Work Place: the Tourism Industry*, prepared by the Secretary of State for Multiculturalism, indicate that whereas 4.8% of the total Canadian workforce was from a visible minority in 1981, this group made up 9.5% of the Canadian workforce employed in lodging and food service. In Toronto, this latter total reached 19.5% and in Vancouver it exceeded 27%.

While the many businesses within the tourism/hospitality sector have relied heavily on new immigrant labour - ethnic restaurants in particular - changing immigration policies are reducing that source of supply. Emphasis is now given to immigrants with money to invest in Canada and or with high educational qualifications. Many are more likely to become entrepreneurs than work for low paying jobs. The number of immigrants intending to work in Canada's food and beverage occupations has declined from 2,291 in 1987 to only 1,456 in 1989.

Possible Implications; More and more employers are recognizing the need for an element of multi-cultural training as necessary in order to improve the motivation of their staff, guest safety and satisfaction, and improved productivity.

If the workforce is becoming increasingly multi-cultural, the same is true for enrollment in the classroom. More professional development time will have to be devoted to equipping faculty with the skills necessary to understand, motivate and transfer technical skills to their students. Over the next few years courses on inter-cultural communications and language training may become as much a standard component of the curricula as computers have become today.

3.0 Forces Internal to the Tourism Sector

3.1 The Growth of Tourism and Demand for Labour

The demand for tourism-related services in western Canada has grown substantially over the past decade. According to the Federal Tourism Strategy for Western Canada, the number of overnight visits to the region increased by nearly 13% between 1980 and 1988. In addition, the number of residents who chose to eat out in restaurants and fast food outlets has increased substantially and generated a growing number of food service establishments.

While the outlook for continued growth is positive, overall growth rates may slow for the next few years due to the maturing of major markets, the impact of recessions and intense competition from other destinations for the traveller's dollar.

Of more importance than overall growth is the fact that the nature of market demand is changing and causing some obsolete products and services to be replaced with new ones more suited to today's more demanding customers.

Over the last ten to fifteen years we have experienced major changes in the *source* of our visitors to British Columbia; the *mode of transport* used to travel here, the *motivation* of travellers and their *choice of destination.* All of these changes are having dramatic affects on the supply of tourism products and services and, in turn, on the need for both new capital investment and the need for a more productive, skilled labour force.

Some of the major market trends that are affecting the type of product needed and their impact the labour force are as follows:

3.2. Splintering of the Market

The market of the late 80's is literally shattering into a myriad of special interest, vertical markets that include: seniors, honeymooners, budget conscious families, yuppie couples, golfers, river rafters, resort vacationers, city-based visitors on a weekend get away, fly fishermen, bird watchers, etc., etc.... This splintering of what was once a relatively simple mass market is, whether we realize it or not, having an enormous impact on both the way we market our tourism products, as well as the way we organize the industry.

Possible Implications: The growth of specialty, well educated and curious markets comprised of people eager to learn and participate is calling for a "new breed" of specialists within the tourism industry who can combine knowledge of a specific activity or subject area with professional hospitality skills, and advanced management and marketing skills. The name of the game in the '90's is "niche marketing" and that calls for even more knowledge and expertise. The cost of start-up and running a business in the today's competitive environment leaves little room for "seat of the pants" approaches.

3.3 Changing Sources of Visitors and Increased Service Expectations

Our traditional "close in" markets are shrinking-- Albertans and Washington residents have, for example, dropped from a 53% share in 1979 to a 33% share of the non-resident, visitor market in 1987. Ministry data also suggest that resident travel around the province has been stagnant since 1982. Since a very significant amount of our tourism "plant" was constructed to cater to these markets, it is not surprising that certain segments of the tourism industry (especially some hotels, motels and campgrounds) have been experiencing major problems.

While "close in" markets are shrinking, visitors from "long-haul" sources are making up the slack. Sources such as the Eastern Seaboard, southern and western states of the U.S., as well as overseas countries such as Japan, U.K., Germany, Hong Kong and Australia, are becoming important travel generators. We have barely touched the surface of the Asia-Pacific market. In 1988, Canada hosted over 842,000 visitors from this region who spent over $2 billion during their stay. By 1995, this country could conceivably host as many as 2.75 million visitors from this part of the world. These more sophisticated travellers expect high levels of service quality.

Possible Implications: Because our new customers are more discriminating and demanding, makeshift on-the-job training programs will not be adequate in the future. To keep this growing international business we must improve our service skills and take the time to understand their special needs. Our employees will be exposed to people from all over the world bringing their different cultures, attitudes and languages. Since a large proportion of international visitors travel in groups, there will be a growing need for professionally trained tour guides who are able to handle groups from other countries and who have detailed product knowledge.

3.4 Transportation Changes

The decline in "close-in" markets is reflected in the mode of transport used to get to British Columbia. A significant number of our visitors (45% +) are using public carriers to get here and are **not** using their personal autos. Those that are touring by car are often taking their accommodation with them in the form of sophisticated, well-equipped recreational vehicles and seek higher quality campgrounds that offer a wide range of amenities and services. Travellers tend to be less likely to stop at small roadside motels and cafes and prefer to head for resort destinations where there is a "critical mass" of attractions, amenities and services to cater to the diverse needs of all members of a travelling party.

Possible Implications: If tourism is to prosper throughout the Province, we need to move these arrivals out from the gateways of Vancouver and Calgary and that will mean more effective packages involving fly-drives and other public carriers (bus and rail). From a labour perspective that will mean more persons equipped to develop and deliver new products.

The job opportunities in the future are probably not going to be with roadside "ma and pa" motel operations and family restaurants -- but supplanted by small Bed and Breakfast/Inn operations catering to an "up market clientele". Most job opportunities will likely be with vertically integrated corporations which control the airlines, the inbound tour operators, the hotels and the tours eg Westours in Alaska or with the development of franchises.

The full impacts of airline deregulation in Canada have not been described in detail. Suffice to say that fierce international competition may result in the further merger of airline companies and the displacement of many highly skilled workers. This situation could present other sectors of the tourism industry with access to a highly trained workforce that could be adapted with relatively little training.

3.5 Globalisation

These market trends mean that tourism in B.C. is "Going global". Competition for tourism spending among developed and developing countries has become intense. In the early 1970's Canada enjoyed a 4.5% share of the world market. By 1981 our share had slipped to only 2.5%. With Expo 86 some of that lost share was regained, but as the Canadian

dollar strengthens, that share is slipping again. Americans are increasingly travelling abroad and further afield. In 1988, foreign travel by Americans rose by 6% while Canada was the only major destination that experienced no growth. During the first half of 1989, American visits to Canada actually dropped 2.5%.

Third world countries are increasing their tourism marketing budgets and providing an array of incentives to attract development and will be strong competitors over the next decade. They are able to compete effectively on the basis of price and product. For example, in the lodging sector their low wages mean they can employ four persons per room compared to the North American average of .67 staff per room and therefore offer superior, pampered service.

Another aspect of globalization is the trend towards foreign ownership in British Columbia. Approximately 34% of all full-service hotel rooms in Vancouver are owned by Asia or Japanese buyers. As tourism grows, the number of major multi-national and international companies investing in this Province will increase.

Possible Implications: In order to compete in an international marketplace, managers and entrepreneurs will require an understanding of international marketing and distribution channels as well as international law, finance and business practices. Education and training programs will need to include more courses on intercultural communications and language.

In a global village, everyone is connected. The livelihood and prosperity of both tourism entrepreneurs and their employees is increasingly affected by events and circumstances occuring thousands of miles away. Not to be aware of global trends, not to be informed of international news and events is to be extremely vulnerable. We need to help our entrepreneurs make the transition into an internationally competitive marketplace.This may take the form of more in-depth seminars and workshops on markets and distribution channels.

3.6 Changing Corporate Structures

Much of British Columbia's tourism plant was built to service the touring market of the 1950's and is now obsolete. Only 6% of all Canadian resorts were built in the 1980's and

most of these are in Eastern Canada. Over 60% of the lodging properties in Western Canada have less than 25 rooms. Many of these are family-run roadside motel operations only stay in business because their mortgages have been paid off long ago. As their owners retire, they will be replaced by new, larger products in different locations - either branches of national chains or franchised facilities that need more labour per facility and labour with much higher skill and service levels.

Two other forces likely to affect the corporate structure of the B.C. tourism industry are franchising and the trend towards "mergers and acquisitions". As companies get larger through mergers, the economies of undertaking training "in-house" improve. We can expect to see more and more companies assume responsibility for the education and training of their employees. The growth of franchises may offer a similar competitive threat as franchises have substantial collective purchasing power and use the offer of training programs as part of their sales appeal.

Possible Implications: We need to take a much closer look at the corporate structure of the tourism industry on a sector by sector basis to determine who will be the consumers and providers of tourism education and training products. We might find, for example, that the market is much smaller than we think either because companies are tackling the problem internally (eg large chains and franchises) or because the bulk of existing operations are family-run where recognition of the importance of professional skills remains and will remain low until they disappear.

3.7 Geographic Polarization

The direct impact of market changes has been a redistribution of the tourism dollar within the province. We are witnessing a growing polarization between the "have" and "have not" regions as far as tourism is concerned. Regions such as Southwestern B.C. (mostly Vancouver and Whistler) and Vancouver Island (mostly Victoria) are capturing an increasing share of the visitors' time and dollars. All regions of the interior except the B.C. Rockies capture a smaller share of bed-nights spent in the province by non-resident visitors than they did 14 years ago. If the Rockies have fared well, it is probably because this region, like S.W.B.C. and Vancouver Island, has experienced significant capital investment in recent years and is better equipped to meet new market demands.

This concentration of economic activity in the southwestern part of the Province is reflected in the distribution of employment. According to the Canadian Occupation Projections (COPS) data published by EIC, 75%-80% of the jobs associated with tourism are located in Southwestern B.C.; a further 15% are located in the Okanagan and 7% occur in other parts of the Province.

Possible Implications: Over the next few years, tourism development will be encouraged in the interior regions of the province. As investment in facilities and supporting infrastructure increases, so will the demand for a trained workforce and the the educational and training programs necessary to support this workforce.In the shorter run, howver, the greatest demand for the delivery of education/trainig programs will occur in the the Southwestern part of the Province.

3.8 Growing Concern about Environmentalism

The public's concern regarding the environment is having a number of impacts on tourism. First, there is a growing recognition that this industry depends to a large extent on an unspoiled natural environment. Tourism businesses whether they are hotels disposing of sewage or restaurants using recyclable containers need to be ecologically responsible and their demand for specialists in this area will increase.

British Columbia's vast natural resource of land and wilderness forms a scenic backdrop for a host of activities that are becoming increasingly popular with today's urban consumer. It is this natural resource that will make B.C. more attractive as a destination in the future.

Possible Implications: Over the next few years, we can expect to see growing number of B.C. residents question the value of tourism if we only focus our efforts on increasing the numbers of tourists, rather than their contribution to income and well-being. There will likely be a greater emphasis placed on obtaining higher yields from tourists. We have a world class natural resource. We should not be giving it away at bargain basement discount prices. The opportunity exists to "add value" to visitors' experience through more effective packaging and, most importantly, environmentally-sensitive product upgrading. In other words, we must aim to increase per diem expenditures by supplying a total package that is the same quality as our world class resource. If we upgrade the product, we can attract an

increasing number of visitors out of the urban gateways and into the interior of British Columbia where revitalization is so desperately needed. For this to happen we need a "new breed" of tourism personnel, knowledgeable in packaging , interpretation and education who are also imaginative, creative risk takers. It should be noted that Capilano College's program in Tourism Managemnt has enjoyed considerable success in spawning such young entrepreneurs.

3.9 New Information Technology

The proliferation of satellite dishes on our rural landscapes is but one tangible sign of the impact of modern information technology on our daily lives. Terms like *electronic publishing, on-line access and interactive videotex* may be foreign to many tourism businesses now, but will be commonplace within a few years. By 1999, over 80% of all households will have computers and will be using them as primary sources of information. In 1980, there were approximately 450 on-line information services available to the general public. By 1987, there were 4,000 databases and their number is still growing exponentially.

There is evidence to suggest that in order to stay competitive, employers in the tourism sector will need to move faster in the application of technology to their operations:

> *...Canadian tourism industry is lagging behind competitors in other countries (in high technology) in key areas such as the hospitality, food and beverage and events and attractions sector. The key barriers to enhanced usage of technology are high purchase and installation costs, lack of awareness and understanding of their major advantages, difficulty in obtaining pertinent, trustworthy information, and lack of ability and opportunity to evaluate the available information properly.*
> From: ISTC - Tourism on the Threshhold, p 20.

To the extent that the industry uses automation and computerization to improve service levels and productivity it will need an educated workforce at all levels.

> *Without basic skills (reading, math), computer illiteracy is a foregone conclusion. In the new information society, being without computer skills is like wandering around a collection the size of the Library of Congress with all the books arranged*

at random with no Dewy Decimal System, no card catalogue and, of course, no friendly librarian to serve your information needs.
From: Megatrends, Naisbitt, p33

Possible Implications: This trend will have a drastic impact on the way we market, sell and deliver our tourism products. Are we equipping employers and their employees with both the skills and the knowledge needed to cope with these technologies?

According to a Southam survey,as many as 27% of the population at large are functionally illiterate. If the workforce needs to be numerate and literate in order to work with the new technologies, then tourism businesses may have to assume increasing responsibility for educating their workforce in the basics.

In addition, other types of knowledge and expertise are needed to cope with the "information age" and will have an impact on training curricula:

- how and when to access information databases
- skills in sorting relevant from irrelevant information
- how to approach conversion from "manual systems" to automated systems
- reading user manuals
- self-instruction (learning how to learn)
- coping with information overload.

On the positive side, new information technologies represent possibilities for more efficient, individual workplace training that can be customized to meet the needs of the employer and the abilities of the employee. Application of such technologies calls for heavy investments in course development but once this initial investment has been made then the benefits can be far reaching. As computers become more "user friendly" and intelligent, they may enable many functions that currently need to be undertaken by skilled personnel to be undertaken by less skilled personnel -- in otherwords, the tendency may be to "deskill" the workforce.

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